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Message Text

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73
ACTION EB-11

INFO OCT-01 ARA-16 EUR-25 ADP-00 AGR-20 COME-00 AID-20

NSC-10 RSC-01 CIEP-02 TRSE-00 SS-15 STR-08 OMB-01

CEA-02 PA-03 PRS-01 USIA-15 CIAE-00 INR-10 NSAE-00

IO-13 RSR-01 /175 W
---------- 100223
R 302020Z AUG 73
FM AMEMBASSY SAN SALVADOR
TO SECSTATE WASHDC 3638
INFO AMEMBASSY BOGOTA
AMEMBASSY BRASILIA
AMEMBASSY GUATEMALA
AMEMBASSY LONDON
AMEMBASSY MANAGUA
AMEMBASSY MEXICO
AMEMBASSY SAN JOSE
AMEMBASSY TEGUCIGALPA
AMCONSUL RIO DE JANEIRO

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E.O. 11652 - N/A
TAGS: EAGR, ETRD, ES
SUBJECT: COFFEE: REVISED SALVADORAN STATISTICS

REF: A. SAN SALVADOR A-73; B. SAN SALVADOR 3253

1.THE RECENTLY DEPARTED IMF TEAM, AS REPORTED IN REFTEL B., TOOK THE GOES AND SPECIFICALLY THE SALVADORAN COFFEE COMPANY (CSC) TO TASK FOR THE FALSIFICATION OF TRADE AND INVENTORY DATA FOR RECENT YEARS. THE TEAM OBTAINED A PROMISE FROM THE CENTRAL RESERVE BANK (BCR) THAT REVISED DATA WOULD BE SUBMITTED FOR THE FOUR YEARS 1969-1972 AND THE IMF WILL SET EL SALVADOR'S RECORD STRAIGHT IN ITS VARIOUS PUBLICATIONS. THE GOES' ANNUAL EXPORT PUBLICATION FOR 1972 WAS PUBLISHED EARLIER THAN USUAL AND DOES NOT INCLUDE THE APPROXIMATELY $28 MILLION COFFEE
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EXPORTS SUBSEQUENTLY REVEALED BY THE CSC. WE UNDERSTAND THAT

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THE PUBLICATION WILL BE RE-ISSUED. THE BCR IS CURRENTLY
AWAITING THE REVISED DATA FROM THE CSC AND THE DELAYS ARE
CAUSED PRINCIPALLY BY ADJUSTMENTS FROM COFFEE TO
CALENDAR YEARS.

2. JULIO GONZALEZ, HEAD OF THE IMF TEAM, TOLD THE EMBASSY
HE ASKED THE GOES/CSC FOR CORRECT INFORMATION COFFEE
EXPORT BY VOLUME, VALUE AND DESTINATION. SINCE A CONSIDERABLE
AMOUNT OF THE UNREPORTED 1972 EXPORTS WAS EFFECTED BY "ILLEGAL"
PURCHAES OF ICO STAMPS, THE IMF ASKED FOR A BREAKDOWN OF
EXPORTS BY STAMP SOURCE SO AS TO RECONCILE EXPORT DATA FROM
THE COUNTRIES SELLING THE STAMPS. THE CSC AGREED RELUCTANTLY
TO PROVIDE EXPORT DATA BY DESTINATION ALTHOUGH SOME INFORMATION
WOULD BE SENSITIVE. IT REFUSED TO DIVULGE THE
SOURCE OF THE STAMPS.

3. SINCE REVISED DATA GIVEN GONZALEZ BY THE CSC ON TWO CONSECUTIVE
DAYS VARIED CONSIDERABLY, WE VOICED DOUBT TO GONZALEZ THAT
EVEN THE IMF COULD OBTAIN ACCURATE DATA. FOR EXAMPLE, THE EMBASSY
HAS BEEN ASSURED THAT THE CSC HOLDS NO EXPORT QUALITY STOCKS
FROM PRIOR YEAR PRODUCTION, YET GONZALEZ WAS TOLD CURRENT
CARRY-IN STOCKS ARE 170,000 BAGS. THIS IS THE AMOUNT THE CSC
PLANS TO SELL THIS YEAR IN THE HOPES OF REDUCING ITS $20 MILLION
DEFICIT WHICH REMAINS UNREVEALED TO THE SALVADORAN COFFEE INDUSTRY.
THE DISCREPANCY COULD BE EXPLAINED IF CARRY-IN STOCKS ARE THE
NON-EXPORT QUALITY KNOWN AS "RESACAS" (BEANS WHICH FLOAT IN THE
WASH). OUR INFORMANS (SEE REFAIR) SAID THAT THE ONLY STOCKS
WERE OF NON-EXPORTABLE QUALITY. THIS TYPE USUALLY COMMANDS
PRICES DISCOUNTED 50-60 PERCENT, BUT WITH CURRENT HIGH
PRICES THE CSC MAY FIND THEIR EXPORT ATTRACTIVE.

4. THE FOLLOWING ARE REVISED DATA ON A COFFEE YEAR BASIS
(YEAR ENDING SEPGEMBER 30) PROVIDED THE IMF (SHOULD BE HELD
IN CONFIDENCE UNTIL RELEASED BY THE IMF OR GOES). THEY
INCLUDE GREEN AND SOLUBLE EQUIVALENT COFFEE AND COVER THE
FOUR COFFEE YEARS ENDING SEPTEMBER 30, 1973; THE LAST YEAR
INCLUDES EXPORTS ONLY THROUGH JULY 1973 WITH NO ESTIMATE
FOR THE LAST TWO MONTHS. THE CSC TOLD THE IMF THAT EXPORTS
FOR CY1973 ARE ESTIMATED AT 2.4 MILLION BAGS OF 60 KILOS.
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COFFE YEAR; 60 KILO BAGS; DOLLAR VALUE;
1969/1970; 2,009,781.08; 116,115,903.63;
1970/1971; 1,803,285.69; 103,949,088.30;
1971/1972; 2,817,284.42; 140,226,652.19;
1972/1973##; 2,090,544.74; 137,785,182.42;

AVERAGE $ PER 46 KG; GOES EXPORT TAXES ($); CY;

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44.29; 17,280,271.48; 69/70;
44.19; 15,815,417.42; 70/71;
W40.05; 21,771,071.52 71/72;
49.54; 24,208,447.15; 72/73##;

- THROUGH JULY

AS A SAMPLE, AND PHERHAPS THE MOST DRASTIC COMPARISON, THE CY1971/
1972 REVISED FIGURE INCREASES EXPORTS BY SOME 600,000 BAGS OVER
THE HERETOFORE OFFICIAL FIGURE.
CATTO

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